

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1863-01  
Bill No.: SB 424  
Subject: Business and Commerce; Secretary of State  
Type: Original  
Date: March 24, 2011

---

Bill Summary: This proposal requires an informal hearing before the Secretary of State in certain instances.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
General Revenue	(\$81,007)	(\$97,034)	(\$99,946)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(\$81,007)</b>	<b>(\$97,034)</b>	<b>(\$99,946)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 4 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
General Revenue	1 FTE	1 FTE	1 FTE
<b>Total Estimated Net Effect on FTE</b>	<b>1 FTE</b>	<b>1 FTE</b>	<b>1 FTE</b>

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials at the **Office of the Secretary of State (SOS)** assume this proposal would require the hiring of an attorney. The attorney would work with the Secretary of State to handle the informal hearings required by this proposal. In FY 2010, 130 petitions of wrongdoing were filed. SOS believes the FTE would cost \$90,000 (\$60,000 salary and \$30,000 fringe benefits). Additionally, the SOS would require \$10,000 for office remodeling to make room for the new FTE in the Securities Division.

**Oversight** assumes the SOS can absorb the cost of the remodeling with existing resources.

<u>FISCAL IMPACT - State Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
<b>GENERAL REVENUE</b>			
Cost - Secretary of State			
Personal Service	(\$51,500)	(\$63,654)	(\$65,564)
Fringe Benefits	(\$27,007)	(\$33,380)	(\$34,382)
Equipment and Expenses	(\$2,500)	\$0	\$0
<u>Total Cost - SOS</u>	<u>(\$81,007)</u>	<u>(\$97,034)</u>	<u>(\$99,946)</u>
FTE Change - SOS	1 FTE	1 FTE	1 FTE
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<b><u>(\$81,007)</u></b>	<b><u>(\$97,034)</u></b>	<b><u>(\$99,946)</u></b>
Estimated Net FTE Change on General Revenue	1 FTE	1 FTE	1 FTE
 <u>FISCAL IMPACT - Local Government</u>	 FY 2012 (10 Mo.)	 FY 2013	 FY 2014
	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

### FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

JH:LR:OD

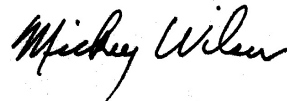
### FISCAL DESCRIPTION

Before the Secretary of State files any petition alleging any wrongdoing on the part of any business entity, the Secretary of State shall provide the business entity with a chance to appear before it to refute the allegations in an informal hearing.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

### SOURCES OF INFORMATION

Office of the Secretary of State

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA  
Director  
March 24, 2011